

EXHIBIT “E”

Chartis
Healthcare Malpractice Claims
101 Hudson Street, 28th Floor
Jersey City, NJ 07302
www.chartisinsurance.com

November 9, 2010



VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Small Smiles Holding Company
ATTN: Linda S. Zoeller
Assistant Vice President, Legal
618 Church Street, Suite 520
Nashville, Tennessee 37219

Maria Lorena Hernandez et al. v. FORBA Holdings, LLC. et al.

Insured:	Small Smiles Holding Company
Insurer:	National Union Fire Insurance Company of Pittsburgh, PA
Policy No.:	Dentists Liability Policy No. DNU3375848 (the "09/10 Entities Policy") (September 26, 2009 to September 26, 2010)
Policy No.:	Dentists Liability Policy No. DNU3375848 (the "08/09 Entities Policy") (September 26, 2008 to September 26, 2009)
Policy No.:	Dentists Liability Policy No. DNU6360128 (the "09/10 Individuals Policy") (December 1, 2009 to December 1, 2010)
Policy No.:	Dentists Liability Policy No. DNU6360128 (the "08/09 Individuals Policy") (December 1, 2008 to December 1, 2009)
File Nos.:	027-097863 (DNU3375848 policies) 027-097956 (DNU6360128 policies)

Dear Ms. Zoeller:

As you know, Chartis Claims, Inc. ("Chartis") is the claims administrator for National Union Fire Insurance Company of Pittsburgh, PA ("National Union"), which issued the following policies placed through the Dentist's Advantage Program to Small Smiles Holding Company ("SSHC") (collectively, the "Policies"):

- Dentists Liability Policy No. DNU3375848, for the policy period of September 26, 2009 to September 26, 2010 (the "09/10 Entities Policy");
- Dentists Liability Policy No. DNU3375848, for the policy period of September 26, 2008 to September 26, 2009 (the "08/09 Entities Policy");
- Dentists Liability Policy No. DNU6360128, for the policy period of December 1, 2009 to December 1, 2010 (the "09/10 Individuals Policy"); and
- Dentists Liability Policy No. DNU6360128, for the policy period of December 1, 2008 to December 1, 2009 (the "08/09 Individuals Policy").

We are in receipt of the e-mail dated September 28, 2010 from your counsel, John H. Fontham, whereby Mr. Fontham gave notice of the Third Amended Petition, which was filed with the court on September 27, 2010, in the action currently styled Maria Lorena Hernandez, Individually and As Mother and Next Friend of Aaliyah Esparza, a minor, On Behalf of Herself And Others Similarly Situated v. FORBA Holdings, LLC; FORBA Services, Inc.; Small Smiles Holding Company, LLC; Small Smiles Holding Company, LLC d/b/a Small Smiles Dental Clinic of Oklahoma City; Small Smiles Dental Clinic of Tulsa; Children's Dental Clinic of Oklahoma City, PLLC; Oklahoma Smiles Dental Center of South Oklahoma City; Children's Dental Clinic of Oklahoma City at Portland Plaza, PLLC; Monica Deaun Switzer, D.D.S.; Megann Wakelee Scott, D.D.S.; Ronald Boston Quade, D.D.S.; Giang Binh Pham, D.D.S.; Euna Kyong Chang, D.D.S.; Douglas David Durst, D.D.S.; Justin Kenneth Marriott, D.D.S.; Robert Bruce Watson, D.D.S.; Erin Beth Heathcock, D.D.S.; Jimema Poitevien, D.D.S.; Stephen Ross Cash, D.D.S.; Joseph Paul Sebourn, D.D.S.; Lena Nicole Turner, D.D.S.; Michael Hudson, D.D.S.; Rosa Ortega, D.D.S.; and Mathew Arnold Berg, D.M.D.,¹ pending in the District Court of Oklahoma County, State of Oklahoma, Case No. CJ-2010-1632 (the "Hernandez Class Action").

As you are aware, by letter dated August 6, 2010, National Union disclaimed coverage under each of the Policies as to SSHC, FORBA Holdings, LLC ("FORBA Holdings"), FORBA Services, Inc. ("FORBA Services"), Small Smiles Dental Clinic of Oklahoma City², Small Smiles Dental Clinic of Tulsa, Children's Dental Clinic of Oklahoma City, PLLC, and Oklahoma Smiles Dental Clinic of South Oklahoma City³ with respect to the Hernandez Class Action based upon National Union's review of the original Amended Petition served therein.

We have since received and reviewed the Second Amended Petition and the Third Amended Petition. In that regard, we note that in addition to the defendants named in the original Amended Petition, plaintiffs

¹ The original Amended Petition filed by the plaintiffs in the Hernandez Class Action on June 7, 2010 was styled Maria Lorena Hernandez, Individually and As Mother and Next Friend of Aaliyah Esparza, a minor, On Behalf of Herself And Others Similarly Situated v. FORBA Holdings, LLC; FORBA Services, Inc.; Small Smiles Holding Company, LLC; Small Smiles Holding Company, LLC d/b/a Small Smiles Dental Clinic of Oklahoma City; Small Smiles Dental Clinic of Tulsa; Children's Dental Clinic of Oklahoma City, PLLC; Oklahoma Smiles Dental Center of South Oklahoma City, John/Janes Does 1 Through 50 (Identities and addresses unknown). Thereafter, and as advised by Mr. Fontham's letter dated September 1, 2010, plaintiffs filed the Second Amended Petition, which is not dated, titled Maria Lorena Hernandez, Individually and As Mother and Next Friend of Aaliyah Esparza, a minor, On Behalf of Herself And Others Similarly Situated v. FORBA Holdings, LLC; FORBA Services, Inc.; Small Smiles Holding Company, LLC; Small Smiles Holding Company, LLC d/b/a Small Smiles Dental Clinic of Oklahoma City; Small Smiles Dental Clinic of Tulsa; Children's Dental Clinic of Oklahoma City, PLLC; Oklahoma Smiles Dental Center of South Oklahoma City; Children's Dental Clinic of Oklahoma City at Portland Plaza, PLLC; Monica Deaun Switzer, D.D.S.; Megann Wakelee Scott, D.D.S.; Ronald Boston Quade, D.D.S.; Giang Binh Pham, D.D.S.; and Euna Kyong Chang, D.D.S.

² We note that, although the caption for the Hernandez Class Action refers to "Small Smiles Holding Company, LLC d/b/a Small Smiles Dental Clinic of Oklahoma City", the allegations contained in the Third Amended Petition pertain to "Small Smiles Dental Clinic of Oklahoma City", individually.

³ We further note that although the caption for the Hernandez Class Action refers to "Oklahoma Smiles Dental Center of South Oklahoma City", the allegations contained in the Third Amended Petition pertain to "Oklahoma Smiles Dental Clinic of South Oklahoma City".

have further named certain newly identified defendants.⁴ The purpose of this letter is to advise you that in light of allegations made in the Third Amended Petition, which is inclusive of the allegations first made in the Second Amended Petition, that were not asserted in the original Amended Petition (*e.g.*, dental malpractice and substandard treatment), National Union hereby withdraws its August 6, 2010 disclaimer with respect to the Policies and sets forth its revised coverage position as to all defendants named in the Hernandez Class Action, including the newly added defendants, as explained below.

SUMMARY OF COVERAGE POSITION

As an initial matter, we note that, coverage, if any, as to the allegations contained in the Third Amended Petition regarding the named plaintiffs (*i.e.*, Maria Lorena Hernandez and Aaliyah Esparza) would be limited to that available, if at all, under the 08/09 Entities Policy and the 08/09 Individuals Policy (collectively, the "08/09 Policies"), insofar as you previously reported an alleged "dental incident" potentially involving those plaintiffs in June 2009. Therefore, the Third Amended Petition, as currently pled, only relates to alleged "dental incidents" that are attributable to the 08/09 Policies and not the 09/10 Entities Policy and the 09/10 Individuals Policy (collectively, the "09/10 Policies").

Consistent with the foregoing, and only as to the 08/09 Entities Policy, National Union agrees to provide a defense to defendants SSHC, FORBA Holdings, FORBA Services, Children's Dental Clinic of Oklahoma City, PLLC ("CDC Oklahoma"), and Children's Dental Clinic of Oklahoma City at Portland Plaza, PLLC ("CDC Portland") (CDC Oklahoma and CDC Portland together referred to as the "Insured Clinics") named in the Hernandez Class Action subject to a complete reservation of rights with respect to insurance coverage under the Professional Liability Coverage Part.⁵ However, no coverage under the Professional Liability Coverage Part to the 09/10 Entities Policy is available as to the foregoing defendants because that policy is not triggered by a "claim" arising out of an alleged "dental incident" that was first reported to National Union under the prior 08/09 Entities Policy. Additionally, National Union further disclaims coverage as to SSHC, FORBA Holdings, FORBA Services, and the Insured Clinics under the Billing Errors and Omissions Coverage Part to the 08/09 Entities Policy and the 09/10

⁴ These newly named defendants, as first identified in either the Second Amended Petition or the Third Amended Petition, include Children's Dental Clinic of Oklahoma City at Portland Plaza, PLLC, Monica Deaun Switzer, D.D.S., Megann Wakelee Scott, D.D.S., Ronald Boston Quade, D.D.S., Giang Binh Pham, D.D.S., Euna Kyong Chang, D.D.S., Douglas David Durst, D.D.S.; Justin Kenneth Marriott, D.D.S.; Robert Bruce Watson, D.D.S.; Erin Beth Heathcock, D.D.S.; Jimena Poitevien, D.D.S.; Stephen Ross Cash, D.D.S.; Joseph Paul Sebourn, D.D.S.; Lena Nicole Turner, D.D.S.; Michael Hudson, D.D.S.; Rosa Ortega, D.D.S.; and Mathew Arnold Berg, D.M.D.

⁵ In that regard, we are aware that SSHC has already retained both local and national counsel to represent the defendants in the Hernandez Class Action. Please provide us with the complete list of lawyers that are representing SSHC, FORBA Holdings, FORBA Services, the Insured Clinics, and the 08/09 Insured Dentists (as defined herein) (collectively, the "Small Smiles Defendants") and who the Small Smiles Defendants wish to represent them with respect to the Hernandez Class Action, including their CVs and hourly billing rates (or any other billing arrangements between the Small Smiles Defendants and their lawyers for the Hernandez Class Action). Please be advised that National Union will pay only reasonable rates – that is, rates that are considered reasonable for the jurisdiction (in this case, Oklahoma City, Oklahoma). In addition, National Union will not pay for both national counsel and local counsel in the Hernandez Class Action. National Union also will not pay any defense costs incurred prior to tender of the Second Amended Petition. Please contact the undersigned as soon as possible to discuss the foregoing.

Entities Policy (collectively, the "Entities Policies"), insofar as the insurance specified therein is not implicated by the Third Amended Petition.

Furthermore, National Union has no duty to defend or indemnify Small Smiles Dental Clinic of Oklahoma City, Small Smiles Dental Clinic of Tulsa, and Oklahoma Smiles Dental Clinic of South Oklahoma City (collectively, the "Non-Insured Clinics") because those entities are not insureds under any of the Policies, including each of the Entities Policies, as discussed more fully below. Accordingly, National Union disclaims coverage for the Non-Insured Clinics under the Entities Policies. Therefore, National Union will not pay for the defense of the Non-Insured Clinics in connection with the Hernandez Class Action. If you have information concerning the insured status of the aforementioned entities under any of the Entities Policies, please provide it to us right away.

As to the 08/09 Individuals Policy, only, National Union agrees to provide a defense to Monica Deaun Switzer, D.D.S. ("Switzer"), Giang Binh Pham, D.D.S. ("Pham"), Megann Wakelee Scott, D.D.S. ("Scott"), Ronald Boston Quade, D.D.S. ("Quade"), and Euna Kyong Chang, D.D.S. ("Chang") (collectively, the "08/09 Insured Dentists") in connection with the Hernandez Class Action subject to a complete reservation of rights with respect to insurance coverage under the Professional Liability Coverage Part. However, National Union has no duty to defend or indemnify Douglas David Durst, D.D.S. ("Durst"), Justin Kenneth Marriott, D.D.S., ("Marriott"), Robert Bruce Watson, D.D.S. ("Watson"), Erin Beth Heathcock, D.D.S. ("Heathcock"), Jimema Poitevien, D.D.S. ("Poitevien"), Stephen Ross Cash, D.D.S. ("Cash"), Joseph Paul Sebourn, D.D.S. ("Sebourn"), Lena Nicole Turner, D.D.S. ("Turner"), Michael Hudson, D.D.S. ("Hudson"), Rosa Ortega, D.D.S. ("Ortega"), and Mathew Arnold Berg, D.M.D. ("Berg") because those dentists are not insureds under the 08/09 Individuals Policy. Accordingly, National Union disclaims coverage under the 08/09 Individuals Policy for the aforementioned non-insured dentists and will not pay for their defense in connection with the Hernandez Class Action. If you have information concerning the insured status of the aforementioned dentists under the 08/09 Individuals Policy, please provide it to us right away.

As to the 09/10 Individuals Policy, no coverage under the Professional Liability Coverage Part thereunder is available as to Drs. Switzer, Pham, Marriott, and Turner insofar as that policy is not triggered by a "claim" arising out of an alleged "dental incident" that was first reported to National Union during the prior 08/09 Individuals Policy (the 08/09 Individuals Policy and the 09/10 Individuals Policy shall be collectively referred to as the "Individuals Policies"). Furthermore, National Union has no duty to defend or indemnify Drs. Chang, Durst, Watson, Heathcock, Poitevien, Cash, Hudson, Ortega, and Berg under the 09/10 Individuals Policy as none of those dentists are insureds under that policy. Moreover, National Union has no duty to defend or indemnify Drs. Scott, Quade, and Sebourn under the 09/10 Individuals Policy because coverage as to those dentists was terminated upon the conclusion of their employment by the relevant SSHC-affiliated dental clinics.

Additionally, National Union disclaims coverage under the Entities Policies as to all of the named individual dentists defendants (collectively, the "Dentists") and further disclaims coverage under the Individuals Policies as to FORBA Holdings, FORBA Services, the Insured Clinics, and the Non-Insured Clinics (the Insured and the Non-Insured Clinics collectively referred to herein as the "Clinics"). The Entities Policies and the Individuals Policies are not potentially triggered as to those defendants, respectively, because the Dentists are not insureds under the Entities Policies and FORBA Holdings,

FORBA Services, and the Clinics are not insureds under the Individuals Policies. Although SSHC is the Named Insured under each of the Individuals Policies, those policies provide no coverage to SSHC at all, as discussed below. Therefore, National Union has no duty to defend or indemnify SSHC, FORBA Holdings, FORBA Services, and the Clinics with respect to the Hernandez Class Action under the Individuals Policies, and no duty to defend or indemnify the Dentists with respect to the Hernandez Class Action under the Entities Policies.

Moreover, and for the reasons set forth in more detail herein, there is no coverage under any of the Policies as to any damages alleged in the Third Amended Petition that are not the result of a "dental incident", as that term is defined in each of the Policies. Additionally, the Policies do not provide coverage for any punitive or statutory damages sought by plaintiffs in the Third Amended Petition.

Consistent with the foregoing, National Union further reserves all rights as to: (1) the insured status, and the extent of the insured status, of one or more of the Small Smiles Defendants under the Entities Policies or the Individuals Policies; (2) the applicability of Exclusion B, which bars coverage for "dental incidents" arising out of any dishonest, fraudulent, criminal, or knowingly wrongful acts, errors, or omissions; (3) the applicability of Exclusion O, which bars coverage for an expected or intended "dental incident"; (4) the applicability of Exclusion A, which bars coverage for "dental incidents" that occurred prior to the inception dates of the Policies and which any insured knew or should have known would result in, or had resulted in, a claim; (5) the applicability of Exclusions K(1) and/or I, which bar coverage for a "dental incident" arising out of the unlicensed dispensation of drugs or the administration of "general anesthesia" by unlicensed personnel, respectively; and (6) the Other Insurance Clause.

We remind you that National Union has filed declaratory judgment actions in the U.S. District Court for the Northern District of Ohio, captioned National Union Fire Insurance Company of Pittsburgh, PA. v. FORBA Holdings, LLC, FORBA Services, Inc., Small Smiles Holding Company and Small Smiles of Toledo, LLC, No. 3:10-cv-00491-JGC (the "Coverage Action"), and in the U.S. District Court for the Middle District of Tennessee, captioned National Union Fire Insurance Company of Pittsburgh, PA. v. Small Smiles Holding Company, LLC, No. 3:10-cv-00743-TJC-JEG (the "Rescission Action"). Please be advised that this reservation of rights/partial disclaimer letter does not change or otherwise affect National Union's position in either of the foregoing declaratory actions. Moreover, this letter is not, and should not be construed as, a waiver of any of National Union's claims as asserted in the Coverage Action and/or the Rescission Action or an acknowledgement of the validity of the Policies, which National Union is contesting in the declaratory actions.

Accordingly, and to the extent that it is determined that coverage is not available under any of the Policies and/or the Policies are rescinded, National Union reserves its rights to withdraw its defense. Furthermore, National Union also specifically reserves its right to seek and obtain reimbursement from the Small Smiles Defendants of all defense costs expended and/or incurred by National Union with respect to the Hernandez Class Action in the event it is determined that the underlying claims alleged therein are not covered in whole or in part under any of the Policies and/or the Policies are rescinded.

After you have reviewed the letter, please provide the undersigned with the additional information requested herein as well as any other information you would like National Union to consider. Also, if you have any questions about the letter, please contact me.

In considering your request for coverage with respect to the Hernandez Class Action, we have carefully reviewed the Policies and the allegations asserted in the Third Amended Petition. No other policies were considered. If you assert a right to coverage under another policy issued by any other member company of Chartis, please submit notice pursuant to the notice provisions contained in that policy.

BACKGROUND

A. The Hernandez Class Action

On or about June 7, 2010, Maria Lorena Hernandez, individually and as mother and next friend of Aaliyah Esparza (collectively, "Plaintiffs") filed an amended class action petition (the "Amended Petition") in the District Court of Oklahoma, State of Oklahoma. The original defendants named in the Amended Petition included SSHC, FORBA Holdings, FORBA Services, CDC Oklahoma, and the Non-Insured Clinics. Sometime thereafter, Plaintiffs filed the Second Amended Petition, which named additional defendants including CDC Portland and Drs. Switzer, Scott, Quade, Pham, and Chang.

Most recently, on or about September 27, 2010, Plaintiffs filed the Third Amended Petition, which further named as defendants Drs. Durst, Marriott, Watson, Heathcock, Poitevien, Cash, Sebourn, Turner, Hudson, Ortega, and Berg, each of whom was allegedly an agent, servant, and employee of FORBA Holdings, FORBA Services, SSHC, and the named dental clinics (all defendants, whether named in the Amended Petition, the Second Amended Petition, and/or the Third Amended Petition, are collectively referred to as the "Defendants"). The Third Amended Petition generally alleges that the Defendants performed "medically substandard and painful dental procedures on Aaliyah Esparza [a minor], and others, for the sole purpose of obtaining additional compensation from the parents and/or third party payors." In that regard, Aaliyah Esparza allegedly, over a period of three years, "underwent numerous substandard, negligent, improper, unnecessary and/or excessive dental procedures, sedation and physical restraining methods." Accordingly, the Third Amended Petition alleges that "Defendants committed an assault and battery, dental malpractice/negligence, fraud, intentional/negligent infliction of emotional distress upon Aaliyah Esparza and others" and further "violated the Oklahoma Consumer Protection Act."

The putative class action is brought on behalf of the Plaintiffs and the proposed Plaintiff Class, which is defined as "any child who received medically substandard/negligent and/or excessive treatment at any of Defendant's [sic] Oklahoma clinics."

Based on the information we have received to date, the following sets forth a summary of the allegations of the Third Amended Petition in the Hernandez Class Action. We recognize that the allegations in the Third Amended Petition are unsubstantiated and we do not mean to suggest there is any merit to the allegations. Nevertheless, for ease of reference, we summarize those allegations that are relevant to our coverage position below.

1. Factual Allegations in the Third Amended Petition

The Third Amended Petition generally alleges that FORBA Holdings "owns, operates, develops, manages and supervises" a "nationwide chain of clinics", which include the Insured Clinics and the

Non-Insured Clinics (together, the "Clinics"). The Third Amended Petition also alleges that the Clinics are owned and operated by FORBA Holdings, FORBA Services, and SSHC, the parent company of FORBA Holdings and FORBA Services.

To that end, and in support of Plaintiffs' class action allegations, the Third Amended Petition identifies purported common questions of law and fact including, but not limited to:

- Whether FORBA Holdings, FORBA Services, and SSHC own, operate, develop, manage, and supervise a chain of dental clinics, including the Clinics.
- Whether FORBA Holdings, FORBA Services and SSHC handle the recruiting, hiring, and training of dentists and/or other employees employed by its Clinics.
- Whether FORBA Holdings, FORBA Services, and SSHC issue policies and procedures that their Clinics follow, including directing the compensation of the Clinics' dentists and employees.
- Whether FORBA Holdings, FORBA Services, and SSHC issued and enforced guidelines, policies, procedures, practices, and "billing production goals" for the Clinics that were "specifically designed to provide substandard care, commit malpractice and a battery upon minor children and defraud their parents/guardians and third party payors by performing medically substandard/negligent, unnecessary and painful dental procedures upon the children, including, but not limited to, baby root canals, fillings, crowns and improperly using physical restraints and/or behavior management techniques on the children during surgery in order to obtain additional compensation from the parents/guardians and/or third party payors."
- Whether FORBA Holdings, FORBA Services, SSHC, and the Clinics violated the provisions of Title 15 O.S. § 751, *et seq.*
- Whether FORBA Holdings, FORBA Services, SSHC, and the Clinics routinely employed unqualified dentists and assistants.
- Whether the Dentists' care and treatment of patients fell below acceptable dental practice.

The Third Amended Petition does not assert any independently delineated causes of action, and only generally alleges that "Defendants committed an assault and battery, dental malpractice/negligence, fraud, intentional/negligent infliction of emotional distress upon Aaliyah Esparza and others" and further "violated the Oklahoma Consumer Protection Act."

As relief, the Third Amended Petition seeks judgment against the Defendants for: (1) a determination that the action may proceed as a class action; (2) actual and punitive damages in excess of \$75,000; and (3) reasonable attorney's fees and costs.

B. Prior Notice of "Dental Incident" Under the 08/09 Policies

We generally note that the Policies each obligate the first Named Insured (*i.e.*, SSHC) to notify National Union in writing as soon as practicable should the insured become aware of any "dental incident" during

the applicable policy period that may reasonably be expected to give rise to a "claim" against any insured. Accordingly, any "claim" arising from such "dental incident" that is subsequently made against any insured and reported to National Union will be deemed to have been first made at the time of the prior written notice of the "dental incident" to the insurer.

To that end, we acknowledge that by correspondence dated June 19, 2009, you first advised of a potential "incident" involving, among others, Aaliyah Esparza. In that regard, you reported on June 9, 2009 that you had responded in writing to an attorney's request for Aaliyah Esparza's patient files. Although it was your understanding that the request was not related to any contemplated legal action, you further advised that it had come to your attention that the patient's parents were reportedly approaching the parents of other patients about contacting the same attorney, presumably concerning an anticipated lawsuit.

In its letter of July 14, 2009, Intercare Insurance Services ("Intercare") acknowledged receipt of your June 19, 2009 correspondence and advised that although notice of a possible "incident" had been received, Intercare's response should not be construed to confirm coverage, if any, under any of the policies issued by National Union through the Dentist's Advantage Program regarding the same. Intercare further indicated that, should a claim or lawsuit later develop, you would be obligated to report the claim or lawsuit to Intercare. To that end, and consistent with the terms of the applicable Policies, Intercare requested a copy of any demand, notice, summons, or legal papers received in connection with a claim or lawsuit.

Accordingly, coverage, if any, as to the allegations contained in the Third Amended Petition regarding the named Plaintiffs (*i.e.*, Maria Lorena Hernandez or Aaliyah Esparza) would be limited to that available, if at all, under the 08/09 Policies, per the terms, conditions, and limitations contained therein, insofar as notice of the alleged "dental incident" was made under those prior policies, which later developed into a "claim".

THE POLICIES

National Union issued Claims Made Dentists Liability Policy No. DNU3375848 to SSHC for the policy period of September 26, 2008 to September 26, 2009 (the "08/09 Entities Policy"), which was renewed for the following policy period of September 26, 2009 to September 26, 2010 (the "09/10 Entities Policy") (collectively, the "Entities Policies"). The Entities Policies each provide Professional Liability Coverage and Billing Errors and Omissions Coverage, only. The retroactive date with respect to Professional Liability Coverage for each of the Entities Policies is February 1, 2001 and the retroactive date with respect to Billing Errors and Omissions Coverage for each of the Entities Policies is September 26, 2007.

National Union also issued Claims Made Dentists Liability Policy No. DNU6360128 to SSHC for the policy period of December 1, 2008 to December 1, 2009 (the "08/09 Individuals Policy"), which was renewed for the following policy period of December 1, 2009 to December 1, 2010 (the "09/10 Individuals Policy") (collectively, the "Individuals Policies"). The Individuals Policies each provide Professional Liability Coverage only and has a general retroactive date of February 1, 2000 and specific,

varying retroactive dates for each Individual Named Insured Dentist scheduled under each of the policies.

Attached to this letter as Exhibit 1 are the relevant policy provisions for your convenient review. Except where specified, the language of the provisions set forth in Exhibit 1 is identical in each of the Policies. Kindly refer to the Policies for their complete terms and conditions.

COVERAGE ANALYSIS

As addressed in greater detail below, no coverage under the Policies will be afforded to the extent that the allegations in the Third Amended Petition do not constitute "dental incidents" as that term is defined therein or to the extent coverage is otherwise barred by operation of one or more exclusions in the Policies.

A. Insured Status of the Named Defendants

1. Insured Status Under the Entities Policies

a. SSHC, FORBA Holdings and FORBA Services

Item 1 of the Declarations for each of the Entities Policies identifies the First Named Insured as "Small Smiles Holding Company"; thus, SSHC is a Named Insured under each of the Entities Policies. Each of the Entities Policies include a Schedule of Named Insureds Endorsement (unnumbered), which amends Item 1 of the Declarations to include as Named Insureds those listed on the Schedule on File with Agent. Annexed to the 08/09 Entities Policy is a schedule of "Owners - Entity renewal 9/26/08" that lists, among others, "FORBA Holdings, LLC" and "FORBA Services, Inc." Annexed to the 09/10 Entities Policy is a schedule of "Owners - Entity renewal 9/26/09" that lists, among others, "FORBA Holdings, LLC" and "FORBA Services, Inc." Therefore, it appears that FORBA Holdings and FORBA Services also qualify as Named Insureds under each of the Entities Policies.

Section III of each of the Entities Policies [Who Is An Insured] provides that if the First Named Insured is listed on the Declarations page as a limited liability company, "you and your members are insureds, but only with respect to the conduct of your 'dental business'". Section III also provides that if the Named Insured is an organization other than a partnership, joint venture, or limited liability company, it is an insured only with respect to the conduct of its "dental business". Accordingly, coverage for Named Insured business entities under each of the Entities Policies applies only with respect to the conduct of their "dental business". National Union reserves its rights accordingly.

b. The Clinics

The Additional Insured Endorsement to each of the Entities Policies amends the Who Is An Insured section of the policies to include as an insured the person or entity shown in the Schedule on File with the Agent, but only with respect to their liability arising out of the conduct of "your business". "Your" is defined, on the first page of the Professional Liability Coverage Part for each of the Entities Policies, to mean the First Named Insured identified on the Declarations page, or SSHC. The schedule of Additional Insureds annexed to the 08/09 Entities Policy includes "Children's Dental Clinic of

Oklahoma City, PLLC” (“CDC Oklahoma”) and “Children’s Dental Clinic of Oklahoma City and Portland Plaza, PLLC (“CDC Portland”), among others (CDC Oklahoma and CDC Portland together referred to as the “Insured Clinics”). Similarly, the Insured Clinics are both identified per the schedule of Additional Insureds annexed to the 09/10 Entities Policy. Accordingly, the Insured Clinics qualify as additional insureds under the Entities Policies, but only with respect to their liability arising out of the conduct of SSHC’s business, which is dental management.

We understand that SSHC’s business includes management of the dental practice of dental clinics, dentists, and other dental professionals, and certain of the allegations in the Third Amended Petition may potentially arise out of SSHC’s dental business. Thus, the Insured Clinics are each an additional insured in connection with those allegations in the Third Amended Petition that may potentially arise out of SSHC’s dental business, but neither clinic would be an additional insured to the extent the Third Amended Petition contains allegations that do not arise out of SSHC’s dental business. Accordingly, National Union hereby reserves all rights with respect to the insured status of CDC Oklahoma and CDC Portland to the extent either, or both, of those clinics are held liable for conduct that does not arise from the conduct of SSHC’s business.

However, none of the other Clinics identified in the Third Amended Petition, including Small Smiles Dental Clinic of Oklahoma City, Small Smiles Dental Clinic of Tulsa, and Oklahoma Smiles Dental Clinic of South Oklahoma City (collectively, the “Non-Insured Clinics”), are identified in the schedule of Additional Insureds annexed to either the 08/09 Entities Policy or the 09/10 Entities Policy. Therefore, no coverage can be afforded to any of the Non-Insured Clinics to the extent that they are not identified as scheduled Additional Insureds under the Entities Policies.

Accordingly, National Union hereby disclaims any obligation to defend or indemnify the Non-Insured Clinics under the Entities Policies with respect to the Hernandez Class Action. Even if it may be later determined that those entities were indeed insureds under the Entities Policies, National Union further reserves all rights with respect to the insured status of the Non-Insured Clinics and whether the conduct alleged by the Plaintiffs as to those clinics arises from the conduct of SSHC’s business. Additionally, there is no coverage under the Entities Policies, and National Union has no duty to defend or indemnify, to the extent the allegations in the Third Amended Petition do not constitute “dental incidents” or are otherwise barred by one or more exclusions in the Entities Policies, as discussed below.

c. The Dentists

Consistent with the foregoing discussion, none of the Dentists are identified as named insureds or additional insureds per the Declarations, the Schedule of Named Insureds Endorsement or the Additional Insured Endorsement annexed to any of the Entities Policies.

Accordingly, the Dentists do not qualify as insureds under the Entities Policies. Therefore, National Union hereby disclaims any obligation to defend or indemnify the Dentists under the Entities Policies with respect to the Hernandez Class Action.

2. Insured Status Under the Individuals Policies

a. SSHC

Item 1 of the Declarations page to each of the Individuals Policies identifies the First Named Insured as "Small Smiles Holding Company". The Declarations of each of the Individuals Policies, however, expressly states that the policies provide no coverage to SSHC, stating that their limits for all other insureds, *i.e.*, all insureds other than the named individual insured dentists, are "none". Accordingly, National Union will not defend or indemnify SSHC under the Individuals Policies with respect to the Hernandez Class Action.

In any event and even if it was intended that SSHC would be an insured and would be afforded coverage under the Individuals Policies, there is no coverage under the Individuals Policies, and National Union has no duty to defend or indemnify SSHC, to the extent the allegations in the Third Amended Petition do not constitute "dental incidents" or are otherwise barred by one or more exclusions in the Individuals Policies, as discussed below.

b. FORBA Holdings, FORBA Services and the Clinics

The Individuals Policies each include a Schedule of Named Insureds Endorsement (unnumbered), which amends Item 1 of the Declarations to include as Named Insureds those listed on the Schedule on File with Agent. The schedules annexed to the 08/09 Individuals Policy and/or the 09/10 Individuals Policy do not include any of the following: FORBA Holdings, FORBA Services, or any of the Clinics, including CDC Oklahoma and CDC Portland. In addition, and unlike the Entities Policies, neither of the Individuals Policies contain an additional insured endorsement.

Accordingly, FORBA Holdings, FORBA Services, and the Clinics do not qualify as insureds under the Individuals Policies. Therefore, National Union hereby disclaims any obligation to defend or indemnify FORBA Holdings, FORBA Services, and the Clinics under the Individuals Policies with respect to the Hernandez Class Action.

c. The Dentists

The Individuals Policies each include a Schedule of Named Insureds Endorsement (unnumbered), which amends Item 1 of the Declarations to include as Named Insureds those listed on the Schedule on File with Agent.

The schedule annexed to the 08/09 Individuals Policy includes individual dentists "Monica Switzer" ("Switzer"), "Giang Pham" ("Pham"), "Megann Scott" ("Scott"), "Ronald Quade" ("Quade"), and "Euna Chang" ("Chang") (collectively, the "08/09 Insured Dentists"), among others. However, the schedule annexed to the 08/09 Individuals Policy does not include, as named individual dentists, defendants "Douglas David Durst" ("Durst"), "Justin Kenneth Marriott" ("Marriott"), "Robert Bruce Watson" ("Watson"), "Erin Beth Heathcock" ("Heathcock"), "Jimema Poitevien" ("Poitevien"), "Stephen Ross Cash" ("Cash"), "Joseph Paul Sebourn" ("Sebourn"), "Lena Nicole Turner" ("Turner"), "Michael Hudson" ("Hudson"), "Rosa Ortega" ("Ortega"), and "Mathew Arnold Berg" ("Berg"). Accordingly, it appears that the 08/09 Insured Dentists qualify as Named Insureds under the 08/09

Individuals Policy, but none of the remaining individual dentist defendants qualify as Named Insureds under the that policy.

Therefore, Drs. Durst, Marriott, Watson, Heathcock, Poitevien, Cash, Sebourn, Turner, Hudson, Ortega, and Berg do not qualify as insureds under the 08/09 Individuals Policy. National Union hereby disclaims any obligation to defend or indemnify Drs. Durst, Marriott, Watson, Heathcock, Poitevien, Cash, Sebourn, Turner, Hudson, Ortega, and Berg under the 08/09 Individuals Policy with respect to the Hernandez Class Action.

The schedule annexed to the 09/10 Individuals Policy includes Drs. Switzer, Pham, Scott, Quade, Marriott, Sebourn, and Turner, but not Drs. Chang, Durst, Watson, Heathcock, Poitevien, Cash, Hudson, Ortega, and Berg. We further understand that Drs. Scott, Quade, and Sebourn are no longer employed at a dental clinic affiliated with SSHC, and that coverage under the 09/10 Individuals Policy as to those dentists was terminated as of March 17, 2010, December 10, 2009, and February 5, 2010, respectively. Accordingly, it seems that Drs. Switzer, Pham, Marriott, and Turner qualify as Named Insureds under the 09/10 Individuals Policy, but none of the remaining individual dentist defendants qualify as Named Insureds under the that policy.

Therefore, Drs. Scott, Quade, Sebourn, Chang, Durst, Watson, Heathcock, Poitevien, Cash, Hudson, Ortega, and Berg do not qualify as insureds under the 09/10 Individuals Policy. National Union hereby disclaims any obligation to defend or indemnify Drs. Scott, Quade, Sebourn, Chang, Durst, Watson, Heathcock, Poitevien, Cash, Hudson, Ortega, and Berg under the 09/10 Individuals Policy with respect to the Hernandez Class Action.

Furthermore, Section III of each of the Individuals Policies [Who Is An Insured] provides that if the First Named Insured is listed on the Declarations page as an individual dentist, "you and your spouse are insureds, but only with respect to the conduct of your 'dental business'". Accordingly, coverage for Named Insured individual dentists under each of the Individuals Policies applies only with respect to the conduct of their "dental business". National Union reserves its rights accordingly.

B. The Defense and Indemnity Provisions of the Professional Liability Coverage Agreement of the Policies

The Professional Liability Coverage Part of the Policies provide that National Union will pay on behalf of the insured those sums that the insured becomes legally obligated to pay as "damages" because of a "dental incident". The "dental incident" must occur on or after the Retroactive Date and prior to the end of the "policy period" and the "claim" for "damages" must be first made against an insured, in writing, during the "policy period". Although National Union has the right and duty to defend the insured against any "claim" to which the Policies apply, National Union has no duty to defend against any "claim" to which the Policies do not apply.

Additionally, and as stated in Section VII. Conditions to each of the Policies, any "claim" arising out of a previously reported "dental incident", which occurred during the policy period corresponding to that policy, shall be deemed to have been first made at the time such notice of the "dental incident" was made to National Union.

The Third Amended Petition (as well as the Second Amended Petition) alleges dental malpractice and substandard dental treatment, which the original Amended Petition did not. Accordingly, while National Union will provide a defense under the 08/09 Entities Policy to FORBA Holdings, FORBA Services, SSHC, and the Insured Clinics and under the 08/09 Individuals Policy to the 08/09 Insured Dentists in the Hernandez Class Action subject to a full and complete reservation of rights, to the extent that it is determined that the aforementioned Small Smiles Defendants are not entitled to insured status and/or the Policies do not apply to the claims asserted in the Third Amended Petition, National Union reserves all rights under the Policies as more fully set forth herein. We reiterate that National Union reserves its right to seek reimbursement of defense costs expended on behalf of the Small Smiles Defendants in the event it is later determined that there some or all of the claims asserted in the Third Amended Petition are not covered by the Policies and/or the Policies are rescinded.

At this time, and in light of the allegations contained in the Third Amended Petition, National Union has no duty to defend or indemnify FORBA Holdings, FORBA Services, SSHC, and the Insured Clinics under the 09/10 Entities Policy or Drs. Switzer, Pham, Marriott, and Turner under the 09/10 Individuals Policy, because neither of those policies are triggered by a "claim" arising out of an alleged "dental incident" that was first reported to National Union under the prior 08/09 Policies.

Further, National Union has no duty to defend or indemnify the Non-Insured Clinics under the Entities Policies or the Individuals Policies because they are not covered thereunder and, accordingly, National Union disclaims coverage for the Non-Insured Clinics with respect to the Third Amended Petition.

National Union also has no duty to defend or indemnify Drs. Durst, Marriott, Watson, Heathcock, Poitevien, Cash, Sebourn, Turner, Hudson, Ortega, and Berg under the 08/09 Individuals Policy because they are not insureds thereunder, and therefore National Union disclaims coverage as to those dentists thereunder with respect to the Third Amended Petition. Further, National Union has no duty to defend or indemnify Drs. Scott, Quade, Chang, Durst, Watson, Heathcock, Poitevien, Cash, Sebourn, Hudson, Ortega, and Berg under the 09/10 Individuals Policy because they are not insureds thereunder, and so National Union disclaims coverage as to those dentists thereunder with respect to the Third Amended Petition.

Additionally, National Union has no duty to defend or indemnify FORBA Holdings, FORBA Services, SSHC, and the Insured Clinics under the Individuals Policies or any duty to defend or indemnify the Dentists under the Entities Policies.

Furthermore, and even if the Policies provided coverage as to any of the foregoing defendants – which it may not – coverage may be barred, as discussed below.

C. Certain of the Allegations in the Third Amended Petition Do Not Constitute "Dental Incidents" and, Thus, Do Not Potentially Trigger Coverage Under the Policies

As noted above, the Policies provide that National Union will pay on behalf of the insured those sums that the insured becomes legally obligated to pay as damages because of a "dental incident". "Dental incident" is defined in the Policies as any act, error, or omission in the rendering of or failure to render "professional services" by an insured or by any person for whose acts, errors, or omissions the insured is

held legally liable. "Professional services" is defined as dental services provided to others by a person trained and qualified to perform those services pursuant to a valid and unrestricted dental, dental hygiene, or dental assisting certificate or license.

1. Allegations that the Defendants Issued and Enforced Guidelines, Policies, Procedures and Practices Do Not Constitute "Dental Incidents"

The Third Amended Petition generally alleges that FORBA Holdings, FORBA Services, and SSHC issued and enforced guidelines, policies, procedures, practices, and "billing production goals" for the Clinics, including the Insured Clinics, that were designed to provide substandard care, commit malpractice, and result in the battery of minor children and defrauding of parents/guardians and third party payors by performing medically substandard/negligent, unnecessary, and painful dental procedures, including improper physical restraints and/or behavior management techniques. Such allegations do not constitute a "dental incident" because they do not allege an act, error, or omission in the rendering of or failure to render "professional services", which is defined as dental services provided to others by certain qualified individuals.

Accordingly, allegations that FORBA Holdings, FORBA Services, and SSHC issued and enforced guidelines, policies, procedures, and practices do not constitute "dental incidents" and do not potentially trigger coverage under the Policies.

2. Allegations of Fraud and Violation of the Oklahoma Consumer Protection Act Do Not Constitute "Dental Incidents"

The Third Amended Petition generally alleges that the Defendants defrauded parents/guardians and third party payors out of money by performing medically substandard/negligent, unnecessary, and painful dental procedures, including improper physical restraints and/or behavior management techniques. To that end, the Defendants also allegedly violated the Oklahoma Consumer Protection Act.

The foregoing allegations, however, do not constitute "dental incidents" because they do not allege an act, error, or omission in the rendering of or failure to render "professional services". Thus, allegations of fraud and violations of state law are not "dental incidents" and therefore, do not potentially trigger coverage under the Policies.

3. Allegations that the Defendants Employed Unqualified Dentists and Assistants Do Not Constitute "Dental Incidents"

The Third Amended Petition generally alleges that FORBA Holdings, FORBA Services, SSHC, and the Insured Clinics "routinely employed unqualified dentists and assistants." Such allegations, however, do not constitute "dental incidents" because they do not allege an act, error, or omission in the rendering of or failure to render "professional services". "Professional services" is defined under the Policies to mean dental services provided to others by a person trained and qualified to perform those services pursuant to a valid and unrestricted dental, dental hygiene, or dental assisting certificate or license. Accordingly, allegations that the Defendants employed unqualified dentists and assistants do not potentially trigger coverage under the Policies.

4. Allegations of Assault, Battery and Infliction of Emotional Distress Do Not Constitute "Dental Incidents"

The Third Amended Petition alleges that the Defendants committed assault and battery upon Aaliyah Esparza and others. Additionally, the Defendants allegedly caused plaintiff Aaliyah Esparza to suffer emotional distress. Such allegations, however, do not constitute "dental incidents" because they do not allege an act, error, or omission in the rendering of or failure to render "professional services". Accordingly, they do not potentially trigger coverage under the Policies.

D. Certain of the Allegations in the Third Amended Petition May Be Barred From Coverage by Operation of Policy Exclusions

1. Coverage May Be Barred by Exclusion B

Exclusion B under each of the Policies bars coverage for "dental incidents" arising out of any dishonest, fraudulent, criminal, or knowingly wrongful acts, errors, or omissions committed by or at the direction of any insured.

The Third Amended Petition generally alleges that the Defendants performed, *inter alia*, medically unnecessary and/or excessive dental procedures, administered unnecessary and/or excessive sedation, and applied unnecessary and/or excessive physical restraints upon Aaliyah Esparza, and presumably other class plaintiffs, in order to defraud parents/guardians and third party payors. The Third Amended Petition also alleges that guidelines, policies, procedures, and practices were issued and enforced by FORBA Holdings, FORBA Services, and SSHC that were specifically designed to commit battery upon minor children and defraud parents/guardians and third party payors through the performance of medically unnecessary dental procedures and other unnecessary related acts.

Thus, regardless of whether or not the allegations of medically unnecessary and/or excessive dental procedures, sedation, and physical restraints constitute "dental incidents" as previously defined, Exclusion B bars coverage because such allegations all arise out of alleged dishonest, fraudulent, criminal, or knowingly wrongful acts committed by or at the direction of one or more of the Defendants. The Third Amended Petition's allegations of medically unnecessary and/or excessive dental procedures constitute allegations of dishonesty, insofar as they are alleged to have been falsely represented to be medically necessary, and allegations of fraudulent and knowingly wrongful acts, insofar as they are alleged to have been undertaken in order to defraud parents/guardians and third party payors. Moreover, the establishment of guidelines, policies, procedures, and practices in order to, as alleged in the Third Amended Petition, commit battery, defraud, perform medically unnecessary and/or excessive dental procedures and sedation, and subject children to unnecessary and/or excessive physical restraints constitutes allegations of dishonest, fraudulent, and knowingly wrongful acts.

Thus, aside from whether or not any allegations in the Third Amended Petition constitute "dental incidents", to the extent they constitute allegations of dishonest, fraudulent, criminal, or knowingly wrongful acts committed by or at the direction of the Defendants, coverage may be barred by Exclusion B.

Consistent with the foregoing, National Union hereby reserves all rights as to the applicability of Exclusion B.

2. Coverage May Be Barred By Exclusion O

Under Exclusion O of the Policies, there is no coverage for a “dental incident” that is expected or intended by any insured or by any person for whose acts, errors, or omissions an insured may be held liable.

The Third Amended Petition alleges that the Defendants performed medically unnecessary and/or excessive dental procedures, sedation, and physical restraints on Aaliyah Esparza, and presumably other class plaintiffs, so they could defraud the parents/guardians and third party payors. To that end, it appears that the dental procedures, sedation, and the use of physical restraints were not accidentally undertaken, but are alleged to have been intentionally performed in furtherance of the fraud. Although Plaintiffs have not actually alleged any harm as a result of the foregoing alleged intentional acts, any resulting injury would actually and naturally flow from the purported intentional acts. Therefore, and to the extent that Plaintiffs’ allegations of medically unnecessary and/or excessive dental treatment consist only of alleged intentional acts and the intent to harm on the part of the Defendants, Exclusion O bars coverage.

Further, the Third Amended Petition generally alleges assault and battery. These allegations reflect intentional acts and the intent to harm. Indeed, by definition, the tort of battery requires proof of an intent to cause a harmful or offensive contact. Therefore, Exclusion O may bar coverage.

Moreover, Exclusion O may bar coverage to the extent that any allegations that arguably constitute “dental incidents” were intended to or could have been reasonably expected to occur as a result of the Defendants’ acts, errors, or omissions. Exclusion O would also bar coverage as to any allegations of intentional infliction of emotional distress, or as to any emotional distress that may have been reasonably expected by Defendants as a result of their acts, errors, or omissions.

Accordingly, National Union hereby reserves all rights as to the application of Exclusion O.

3. Coverage May Be Barred By Exclusion A

Under Exclusion A of the Policies, there is no coverage for any “dental incident” that occurred prior to the inception date of the Policies if any insured under the Policies knew or should have known that the “dental incident” could result in or had resulted in a claim. The inception date for the 09/10 Entities Policy is September 26, 2009, whereas the general inception date for the 09/10 Individuals Policy is December 1, 2009. The corresponding inception dates for the 08/09 Entities Policy and the 08/09 Individuals Policy is September 26, 2008 and generally December 1, 2008, respectively.

To the extent that one or more of the Defendants knew or reasonably should have known that “dental incidents” had occurred prior to the inception dates of the Policies and that the “dental incidents” could result in, or had resulted in, a claim, there is no coverage under the 09/10 Entities Policy for “dental incidents” that occurred prior to September 26, 2009, and no coverage under the 09/10 Individuals

Policy for “dental incidents” that occurred prior to December 1, 2009. Similarly, there is no coverage under the 08/09 Entities Policy for “dental incidents” that occurred prior to September 26, 2008, and no coverage under the 08/09 Individuals Policy for “dental incidents” that occurred prior to December 1, 2008 for the same reasons. National Union reserves its rights as to the application of Exclusion A.

In connection with the foregoing, National Union is aware that, in January 2010, FORBA Holdings entered into a settlement with the United States of America, acting through the United States Department of Justice (“DOJ”) and on behalf of the Office of Inspector General of the Department of Health and Human Services (“HHS”) (collectively, the “United States”) and relators in three *qui tam* actions that were filed in 2007 and 2008 (collectively, the “*Qui Tam* Actions”)⁶, to settle claims by the United States and 22 states plus the District of Columbia that FORBA Holdings and its dental clinics and personnel committed Medicaid fraud and engaged in a pattern and practice of subjecting pediatric dental patients to medically unnecessary dental procedures (the “Medicaid Fraud Settlement”).

We also understand that the Medicaid Fraud Settlement was the product of an investigation by the United States and various States (the “Medicaid Fraud Investigation”). It appears that Small Smiles⁷ knew about the Medicaid Fraud Investigation prior to the issuance of the Policies but did not disclose it (or the existence of the *Qui Tam* Actions) to National Union or Affinity Insurance Services, Inc., d/b/a Dentist’s Advantage (“AIS”). We note that all three of the *Qui Tam* Actions were commenced against Small Smiles prior to the inception of any of the Policies.

We further understand that Small Smiles also failed to disclose to National Union prior to the issuance of any of the Policies the fact that it had made multiple insurance claims arising from the Medicaid Fraud Investigation to its prior professional liability insurance carrier. In that regard, Small Smiles further failed to disclose to National Union that its prior professional liability insurance carrier nonrenewed its policies for claims experience. Additionally, Small Smiles failed to disclose to National Union prior to the issuance of any of the Policies certain indemnification demands it made to the previous owners of its dental practice management entities for the Small Smiles clinics for losses caused by the Medicaid Fraud Investigation. To that end, it also appears that Small Smiles also failed to disclose to National Union its belief that, under their prior owners, there were numerous systemic problems concerning the quality and propriety of dental care provided at the Small Smiles clinics.

Accordingly, National Union reserves its right to disclaim coverage under Exclusion A to the extent one or more of the Defendants knew or reasonably should have known that “dental incidents” had occurred

⁶ For the purposes of this letter, the *Qui Tam* Actions refer to: *United States ex rel. McDaniel v. FORBA Holdings, LLC*, No. 07-3416 (D. Md.), filed December 21, 2007; *United States of America and Commonwealth of Virginia ex rel. Angela Crawford v. Small Smiles of Roanoke LLC*, Case No. 7:08-cv-00370 (W.D. Va.), filed June 12, 2008; and *John J. Haney o/b/o United States of America v. Children’s Medicaid Dental of Columbia, LLC d/b/a “Small Smiles”*, Case No. 3:08-CV2562 (D.D.C.), filed July 16, 2008.

⁷ Please note that, for the purposes of this letter, “Small Smiles” refers to Small Smiles Holding Company, LLC, FORBA Holdings, LLC, FORBA Services, Inc., Children’s Dental Clinic of Oklahoma City, PLLC and Children’s Dental Clinic of Oklahoma City at Portland Plaza, PLLC, Monica Deaun Switzer, D.D.S., Giang Binh Pham, D.D.S., Megann Wakelee Scott, D.D.S., Ronald Boston Quade, D.D.S. and Euna Kyong Chang, D.D.S. and all other Small Smiles clinics and Small Smiles dentists and further includes each of their parents, subsidiaries, divisions, departments, offices, predecessors, successors, assigns, officers, directors, employees, contractors, subcontractors, attorneys and/or agents.